

INFORMATIONAL HEARING and SITE VISIT
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)
)
Application for Certification of) Docket No.
the Central Valley Energy Center) 01-AFC-22

)

SAN JOAQUIN COMMUNITY CENTER
22058 RAILROAD AVENUE
SAN JOAQUIN, CALIFORNIA

THURSDAY, FEBRUARY 7, 2002
5:07 p.m.

Reported by:
Peter Petty
Contract No. 170-01-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

Arthur Rosenfeld, Presiding Member

HEARING OFFICER, ADVISORS PRESENT

Cheryl Tompkin, Hearing Officer

Mignon Marks, Advisor to Commissioner Laurie

STAFF AND CONSULTANTS PRESENT

Jack Caswell, Project Manager

Paul Kramer, Jr., Staff Attorney

Arlene Ichien, Staff Counsel

Keith Golden

William Walters

Dan Gorfain

Rebecca Morgenstern

Lisa Blewitt

Judy McKeehan

John S. Kessler

Aspen Environmental Group

Charlie Moore, Project Engineer

KASL Consulting Engineers

APPLICANT

Greggory L. Wheatland, Attorney

Jeffrey Harris, Attorney

Ellison, Schneider and Harris, LLP

William W. Harrison, Senior Project Engineer

Ali Amirali, Transmission Contract Manager

Tom Lagerquist, Environmental Manager

Michael A. Argentine, Manager, Project Development

Barbara Levake, Governmental Relations Consultant

Tove Giezentanner, Community Relations Consultant

Catherine Potter, Manager Corporate Communications

Calpine Corporation

APPLICANT

Jonathan Carrier
CH2MHILL

INTERVENORS

Sky C. Stanfield, Legal Assistant
Adams, Broadwell, Joseph and Cardozo
representing California Unions for Reliable
Energy

ALSO PRESENT

Mike Estrada, Mayor
City of San Joaquin

Anthony Martinez, President
Mendota Chamber of Commerce
Proteus Workforce Connection

Caterino Ruiz
Golden Plains School Board

Betty Vallejo, Council Member
City of San Joaquin

Gary Serrato, General Manager
Fresno Irrigation District

Tony Valtierra, Vice President
Fresno Area Hispanic Chamber of Commerce

Dora Gregg
United Security Bank
City of San Joaquin

Ron Manfredi, City Manager
City of Kerman

Feleena Sutton, Representative for
Assemblyperson Sarah Reyes

Martin McIntyre, Public Utilities Director
City of Fresno

Shelly Abajian, representing
Senator Jim Costa

ALSO PRESENT

Maria de los Angeles Ramos

Phillip Erro

Jose Ramos

Keith Freitas

Dave Yancey
Plumbers and Pipefitters Local 246 Fresno

Gary Clark, President
Fresno Building Trades
Plasterers and Cement Masons Local
Apprenticeship Project Information Center

George Gunderson, Field Representative
United Brotherhood of Carpenters and Joiners
of America Local 701 Fresno

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1 P R O C E E D I N G S

2 5:07 p.m.

3 PRESIDING MEMBER ROSENFELD: Good

4 evening, ladies and gentlemen. I'm Arthur

5 Rosenfeld; I'm the Energy Commissioner who is the

6 Presiding Member for this siting application.

7 There are normally two Energy

8 Commissioners assigned to each case. But, in

9 fact, we're spread pretty thin with lots of siting

10 cases, so the Presiding Member usually comes. And

11 in this case, Commissioner Laurie, the Second

12 Member, is represented on my left by Mignon Marks,

13 his Advisor.

14 On my right, and the woman who's going

15 to run most of the show, is Cheryl Tompkin, the

16 ALJ.

17 Central Valley Energy Center, LLC, has

18 filed an application with the Energy Commission

19 for the Central Valley Energy Center here in

20 Fresno County. The purpose of this hearing is to

21 discuss the Commission's licensing process,

22 identify all the issues that concern you, and

23 start what we hope is a six-month process.

24 I think I'm going to let each of the

25 parties introduce themselves, so I'm going to

1 call, I guess, on Greg Wheatland, whom I
2 recognize, to introduce himself and his team.

3 MR. WHEATLAND: Good evening, I am Greg
4 Wheatland, and I am the attorney for the
5 applicant. And I'll each of the members of our
6 team to introduce themselves.

7 MR. HARRISON: Hello, my name is William
8 Harrison. I'm the Senior Project Engineer for
9 this project with Calpine.

10 MR. AMIRALI: Hi, I'm Ali Amirali; I'm
11 the Transmission Contract Manager for Calpine.

12 MR. LAGERQUIST: I'm Tom Lagerquist; I'm
13 Calpine's Environmental Manager for the project.

14 MR. ARGENTINE: I'm Mike Argentine,
15 Project Developer for Calpine.

16 But I'd also like to say we have a
17 number of other employees or project team members
18 in the audience that I'd like to recognize.

19 We have Jeff Harris, who is also an
20 attorney for the project in the back. Barbara
21 Levake, who is our Governmental Relations
22 Consultant. We have Tove Giezentanner, who is our
23 Community Relations Consultant. He's not out
24 there. We have Catherine Potter, who is our
25 Manager of Corporate Communications for Calpine.

1 And we have Jon Carrier with CH2MHILL, who is
2 responsible for preparation of the AFC.

3 Thank you.

4 PRESIDING MEMBER ROSENFELD: Okay, so
5 there's lots of Calpine expertise here. In fact,
6 Calpine has the Energy Commission well
7 outnumbered.

8 Do you two gentlemen want to introduce
9 yourselves?

10 MR. CASWELL: I'm Jack Caswell; I'm the
11 Project Manager who is actually filling in tonight
12 for Matt Trask, who is the Project Manager for
13 this Central Valley Energy Center project. He
14 will be involved in this starting next week when
15 he returns from vacation. But I'm filling in
16 tonight.

17 MR. KRAMER: And I'm Paul Kramer, I'm
18 the Staff Attorney for the Staff, the Project
19 Manager and the other staff in this case.

20 MR. CASWELL: If I could start with the
21 front row and just have people stand up and
22 introduce themselves. There's a number of
23 technical staff here with us from the Energy
24 Commission, and if I could start over here with
25 Will.

1 MR. WALTERS: Will Walters; I'm with
2 Aspen Environmental Group --

3 HEARING OFFICER TOMPKIN: I'm going to
4 ask you all to step to the mike and state your
5 titles again, because we can't hear you very
6 clearly up front.

7 MR. WALTERS: I'm William Walters with
8 Aspen Environmental Group, a contractor with CEC.
9 I'll be working on air quality and visual plume
10 assessment for the project.

11 MR. GOLDEN: And, again, my name is
12 Keith Golden. I'm a Senior Engineer with the
13 California Energy Commission on air quality
14 issues.

15 (Off-the-record remarks.)

16 MR. GORFAIN: I'm Dan Gorfain; I'm
17 consultant to the Energy Commission with Aspen
18 Environmental Group for land use and
19 socioeconomics.

20 MS. MORGENSTERN: I'm Rebecca
21 Morgenstern and I'm with Aspen Environmental
22 Group, alternatives analysis.

23 MS. BLEWITT: I'm Lisa Blewitt. And I'm
24 also with Aspen Environmental Group. And I'm
25 working on air quality and visual plume with Will

1 Walters.

2 MS. McKEEHAN: Judy McKeehan, I'm
3 consultant to the Energy Commission for Aspen and
4 Chambers Group, and cultural resources technical
5 area.

6 MR. MARTINEZ: My name's Anthony
7 Martinez; I'm with Proteus Workforce Connection.
8 And we'll be helping in the employment of this
9 project.

10 MR. KESSLER: Good evening, I'm John
11 Kessler. I'm a consultant to the Energy
12 Commission with Aspen Environmental Group. And
13 I'll be helping on water and soils.

14 MR. MOORE: I'm Charlie Moore with KASL
15 Consulting Engineers, water resources, for the
16 Energy Commission.

17 PRESIDING MEMBER ROSENFELD: That's it?
18 Arlene Ichien, do you want to introduce yourself?
19 There's one more over here.

20 MS. ICHIEN: I'm Arlene Ichien, an
21 attorney with the Energy Commission.

22 PRESIDING MEMBER ROSENFELD: And now
23 intervenors. Is somebody here from TURN -- I'm
24 sorry, from CURE?

25 MS. STANFIELD: I'm Sky Stanfield here

1 for the California Unions for Reliable Energy.

2 PRESIDING MEMBER ROSENFELD: Okay. And
3 now what about agencies, do we have anybody here
4 from any local governments or Air Resources Board
5 or whatever? Yes, can you grab a mike and
6 introduce yourself?

7 MR. RUIZ: My name's Caterino Ruiz and
8 I'm representing the Golden Plains School Board.

9 PRESIDING MEMBER ROSENFELD: I'm sorry,
10 can you say that again?

11 MR. RUIZ: I'm representing the Golden
12 Plains School Board from the District --

13 PRESIDING MEMBER ROSENFELD: Oh, from
14 here?

15 MR. RUIZ: Yes.

16 PRESIDING MEMBER ROSENFELD: Thank you,
17 sir. Anybody -- here we go.

18 MS. VALLEJO: I'm Betty Vallejo and I'm
19 representing the City of San Joaquin; I am a
20 Council Member.

21 PRESIDING MEMBER ROSENFELD: Thank you
22 for coming. Yes, sir.

23 MR. SERRATO: I'm Gary Serrato and I'm
24 General Manager of the Fresno Irrigation District.

25 PRESIDING MEMBER ROSENFELD: Thank you

1 for coming. Is that all our agency folks? All
2 right.

3 Any representatives of other community
4 organizations or the press or who want to be seen,
5 heard?

6 MR. VALTIERRA: Tony Valtierra with the
7 Fresno Area Hispanic Chamber of Commerce.

8 PRESIDING MEMBER ROSENFELD: Thank you
9 for coming.

10 Okay. Normally at this stage of the --
11 oh, I'm sorry.

12 MS. GREGG: I'm Dora Gregg; I'm with
13 United Security Bank here in San Joaquin.

14 PRESIDING MEMBER ROSENFELD: United
15 Security Bank, which reminds me I want to thank
16 quite a few local businesses, including United
17 Security Bank, for having written me letters of,
18 in general, supporting the project. So I hereby
19 acknowledge all of those and I'll turn them in as
20 part of the record.

21 Normally at this stage of the game I
22 introduce the Public Adviser. The Energy
23 Commission has an almost 100 percent record of
24 having a Public Adviser at each of these meetings
25 to help the public be heard.

1 In this particular case there are,
2 however, only three people, and two of them are
3 elsewhere and one of them is ill. So, I think
4 Cheryl Tompkin, our ALJ, is going to read a
5 statement and play Public Adviser in addition to
6 Hearing Officer.

7 So, at that stage of the game, I guess
8 I'm about ready to turn it over to Cheryl Tompkin.

9 HEARING OFFICER TOMPKIN: Thank you,
10 Commissioner Rosenfeld. And actually I will read
11 that statement a bit later.

12 At this point I'd like to remind each of
13 the individuals who introduced yourselves
14 initially that the court reporter needs a business
15 card from you in order to insure that you can be
16 properly identified in the record. So if you
17 could provide that to him, we'd appreciate it
18 greatly.

19 At this point I think I'll give you a
20 little bit of background regarding this project.
21 The Commission accepted the application for the
22 Central Valley Energy Center as adequately filed
23 on January 9, 2002.

24 The Central Valley Energy Center is a
25 1060 megawatt combined cycle generating plant that

1 will be operational by the third quarter of 2004.

2 Earlier today we toured the surrounding
3 community and the proposed site as previously
4 scheduled in the notice of this hearing.

5 The notice was mailed on January 23,
6 2002, to all parties, adjoining landowners,
7 interested governmental agencies and other
8 individuals. In addition, the notice was
9 published in The Fresno Bee on January 31, 2002.

10 This informational hearing is the first
11 in a series of Commission events that will extend
12 over approximately the next six months. At the
13 end of the review period the Commissioners will
14 issue a proposed decision containing their
15 recommendation on this project.

16 It is important to note that by law the
17 recommendations in the proposed decision must be
18 based solely on the evidence contained in the
19 public record. To insure this happens, and to
20 preserve the integrity of the licensing process,
21 the Commission's regulations expressly prohibit
22 private contacts between the parties and the
23 Committee Members.

24 This prohibition against private
25 communications between the parties and the

1 Committee is known as the ex parte rule. This
2 means that all contacts between the parties and
3 members of the Committee or myself, as the Hearing
4 Officer, regarding a substantive matter must occur
5 in the context of a public discussion, such as
6 today's event; or in the form of a written
7 communication that is provided to all parties.

8 The ex parte rule insures full
9 disclosure to all participants of any information
10 that may be used as a basis for the decision on
11 this project.

12 Additional opportunities for the parties
13 and governmental agencies to discuss substantive
14 issues with the public will occur in public
15 workshops to be held by Commission Staff here in
16 San Joaquin.

17 Information regarding other
18 communications between the parties and
19 governmental agencies is contained in written
20 reports or letters that summarize such
21 communications.

22 These reports are distributed to the
23 parties and made available to the public.
24 Information regarding hearing dates and other
25 events in this proceeding will be available on the

1 Commission's website. That website address is
2 www.energy.ca.gov.

3 The application process is a public
4 proceeding in which members of the public are
5 encouraged to actively participate and express
6 their views on matters relevant to the proposed
7 project. The Committee is interested in hearing
8 from the community on any aspect of this project.

9 Members of the public may also intervene
10 in the proceeding. If there are potential
11 intervenors, the Committee encourages you to file
12 your petitions to intervene soon in order to allow
13 for full participation.

14 Normally at this point the Public
15 Adviser would then give a presentation regarding
16 how to become a participant in this process.
17 Since she is not here today, what I'm going to do
18 is read a statement into the record that she has
19 prepared and provided.

20 The role of the Public Adviser is to
21 assist the public in understanding the Energy
22 Commission's siting process and assist members of
23 the public who want to participate in the process.
24 The office is located in Sacramento and the Public
25 Adviser can be reached by telephone, toll free, at

1 800-822-6228, or by email at
2 pao@energy.state.ca.us. If you didn't catch the
3 number or the email address, you can see me after
4 the hearing and I will make that available to you.

5 You, as members of the public, have an
6 absolute right to participate and comment on the
7 proposed Central Valley Power project. The Energy
8 Commission encourages public participation and
9 welcomes all types of community input. Hopefully
10 many people will want to offer their opinions and
11 comments on the proposed project. These opinions
12 and comments will form an important source of
13 information as the Energy Commission Staff
14 performs their independent analysis of the
15 proposal.

16 Let me briefly explain that there are
17 several types or levels of public participation.
18 The opinion/comment type of participation that was
19 previously mentioned is best described as informal
20 participation.

21 On the other hand, some people may want
22 to become more formally involved in the siting
23 case through the process called intervention.
24 Members of the public, and sometimes public
25 agencies, who decide to intervene become parties

1 to the siting case.

2 In the early phases of the siting case
3 there's not a lot of difference between informal
4 and formal participation. However, when the case
5 reaches the point that the decision makers, that
6 is the two members of the Energy Commission Siting
7 Committee, are ready to listen to formal evidence
8 on the many siting case issues, the difference is
9 more apparent.

10 In the formal hearing of the evidence
11 informal participants can comment and offer
12 opinions. On the other hand, the formal
13 participants, who are the parties to the case, can
14 present witnesses, offer sworn testimony and
15 cross-examine witnesses.

16 I briefly mention intervening to become
17 a party in a siting case. I want to point out
18 that intervenors have the same responsibilities
19 and share the same benefits a the other parties in
20 the case.

21 For example, intervenors must respond to
22 requests for information; deliver their documents
23 and comments to the other parties; and be
24 available for cross-examination.

25 If you want more information on how to

1 participate in this siting case, or if you have
2 questions about the siting case process, please
3 call the Public Adviser's Office.

4 There are two additional points to cover
5 at this time. First, the importance of getting on
6 the Energy Commission's interested persons mailing
7 list so that you can receive public notices
8 announcing the siting case meetings.

9 Second, provides a quick overview of how
10 and where members -- I'm going to give you a quick
11 overview of how you can obtain information about
12 the project.

13 To get on the interested persons mailing
14 list and request future mailings, the public can
15 sign in at today's meeting and check the box
16 indicating you want your name added to the mailing
17 list. Or you can enter an email address on the
18 Energy Commission's list server located on the
19 Energy Commission's website at
20 [www.energy.ca.gov/siting cases](http://www.energy.ca.gov/siting_cases). Or you can simply
21 contact the Public Adviser, or contact the Project
22 Manager.

23 To obtain information about the project,
24 itself, you can go to the main branch of the
25 public library in this County, where there is a

1 copy of the application for certification that was
2 filed by the applicant.

3 Or you can go to the Energy Commission's
4 website and access www.energy.ca.gov/siting cases
5 and scroll down to the Central Valley project.
6 Or, once again, you can simply contact the Public
7 Adviser's Office.

8 The final item that I need to cover is
9 the role of the blue cards. Some of you may have
10 seen them circulating already.

11 The Public Adviser helps members of the
12 public who want to make comments during the siting
13 process. She also helps the Commissioners and the
14 Hearing Officers with the details of running a
15 good meeting by circulating the blue cards.

16 In this case the Public Adviser is not
17 available to circulate the cards, but Arlene
18 Ichien, who is with the Energy Commission, she
19 introduced herself earlier as an attorney, is
20 going to circulate those cards. And if you want
21 to have an opportunity to speak at this
22 proceeding, you should fill one out and return it
23 to her. She'll bring it up and we'll call your
24 name and give you an opportunity to make a
25 comment.

1 The blue cards are also used to
2 determine the amount of public comment and the
3 time needed to accommodate the comments, and
4 thereby facilitate public discussion.

5 In conclusion, the Public Adviser wanted
6 me to advise you that she looks forward to closely
7 working with the public on this power plant
8 project, and encourages you to call her if you
9 have any questions.

10 (Public announcement.)

11 HEARING OFFICER TOMPKIN: Today we will
12 have presentations first by the applicant. Then
13 by Commission Staff. After those presentations
14 are concluded and any questions presented by the
15 participants addressed, we will take comments from
16 the public.

17 So, accordingly, we will proceed in the
18 following manner. First, the applicant, Central
19 Valley Energy Center, LLC, will describe the
20 proposed project and explain its plans for
21 developing the project site.

22 Next, the Commission Staff will provide
23 an overview of the Commission's licensing process
24 and its role as an independent party in reviewing
25 the proposed project.

1 Then we will hear comments from
2 interested agencies. Upon completion of those
3 presentations, intervenors and members of the
4 public may offer comments and ask questions.

5 Following the public comment we will
6 discuss scheduling and other matters addressed in
7 the staff's issue identification report.

8 We will also provide time for the
9 parties or members of the public to ask questions
10 regarding scheduling and the issue identification
11 report.

12 At this point, are there any questions
13 about how we're going to proceed?

14 MR. CASWELL: We've decided staff will
15 go first because we're electronically connected
16 and electronically challenged, as well.

17 HEARING OFFICER TOMPKIN: All right,
18 then that --

19 MR. CASWELL: And the applicant has
20 agreed that that's not a problem, so.

21 MR. ARGENTINE: We certainly agree.
22 (Laughter.)

23 HEARING OFFICER TOMPKIN: All right,
24 since you've reached that agreement then I will
25 ask staff to proceed.

1 MR. CASWELL: As I mentioned before, I'm
2 Jack Caswell and I'm filling in for Matt Trask.
3 And Matt will be the Project Manager for the
4 entire process here on this case.

5 What I'm going to do is explain our
6 role, the Commission's, the staff's, our
7 relationship to each other and to the public, as
8 well.

9 I have this slide show here, so you were
10 getting a lot of information and telephone numbers
11 a minute ago. They're going to appear on this
12 screen. And there are hard copies of this slide
13 show that I left on the table here. If you don't
14 need a hard copy, if anybody from Calpine has one
15 that you can give that up to the public, or our
16 staff that happened to pick one up, I did not make
17 enough copies for this room in its entirety. But
18 if the Energy Commission Staff and again, if
19 Calpine have that, surrender that to the public.

20 Also, if you would like a copy of this
21 slide show, because there's a lot of all those
22 webpage numbers, as well as telephone numbers and
23 those contact people, the Public Adviser, Matt
24 Trask, Calpine, their names and phone numbers and
25 email addresses are on this. So if you would like

1 an electronic copy of this you can contact the
2 Project Manager and he can email you a copy of
3 this, which will allow you to refresh yourself
4 with the process, the relationships, as well as
5 these numbers and addresses for all the people
6 involved in this process.

7 The purpose of the siting process is to
8 insure that a reliable supply of electrical energy
9 is maintained at a level consistent with the need
10 for such energy for the protection of public
11 health and safety, for the promotion of general
12 welfare and for environmental quality protection.
13 And there's the Resource Code number that gives
14 that authority.

15 The Energy Commission's role. the
16 Energy Commission's permitting authority is for
17 thermal power plants 50 megawatts or greater and
18 related facilities. And those related facilities
19 are transmission lines, water supply line and
20 systems, natural gas pipelines, waste disposal,
21 access roads. Could be other items, as well.

22 We also act as the lead state agency for
23 the California Environmental Quality Act, CEQA.
24 We are the lead agency for that process here.

25 The Energy Commission Staff, as

1 information gatherers. That's what we are; we're
2 the more informal process, and people that work in
3 this entire siting process. We are just
4 information gatherers and analysts that need to
5 interact with you, as the public, intervenors and
6 agencies, in order to get all the information and
7 get a very clear picture of what's going on in
8 this area, environmentally and in engineering, as
9 well.

10 As you see in the middle, that
11 represents the project manager and the staff. And
12 you see the public; you have input to us. The
13 applicant has input. The intervenors, local,
14 state and federal agencies, and any others that
15 would like to be involved in this process. And we
16 will accept -- your project manager is a central
17 location, and your direct line to speak with or
18 get your thoughts and ideas to the staff here, the
19 technical staff in whatever area you're interested
20 in. There's quite a few areas and we'll go into
21 that.

22 So, that's our role. And we are very
23 informal about how we interact because we are not
24 the decision makers. We are just information
25 gatherers and we make a staff assessment to the

1 Committee.

2 Energy Commission Committee. As Art had
3 discussed, there are two Commissioners assigned to
4 that Committee. And their role is to gather
5 information and testimony during a hearing process
6 that will develop after our staff assessment. And
7 those people that will be supplying testimony,
8 obviously the applicant, Energy Commission Staff,
9 intervenors, local and state agencies, the public.
10 And always the public is involved in presenting
11 their side at these more formal hearings. And
12 I'll show you the sequence of events on another
13 slide here, how that works.

14 The full Commission, and that is all
15 five Commissioners, are the final decision makers.
16 That Committee is going to hear testimony and make
17 recommendations, but the full Commission votes on
18 the final decision.

19 And, as you see, they take input from
20 all these exact same groups, as well as their own
21 Committee, that was heading this whole process.

22 Staff's analysis of the AFC, the AFC
23 being the application for certification. And our
24 analysis covers areas to determine if proposal
25 complies with LORS, that's laws, ordinances,

1 regulations and standards.

2 We conduct an engineering and
3 environmental analysis. And in that analysis we
4 identify issues, evaluate alternatives, identify
5 mitigation measures, recommend conditions of
6 certification. And these things are very broad.
7 And these things are developed by your input,
8 that's how they get there.

9 Obviously technical staff have well
10 informed and background in the area, but they need
11 your input so they can develop the appropriate
12 mitigation or conditions.

13 Facilitate public and agency
14 participation in this process, that's what we do.
15 Staff produces a staff assessment and a staff
16 assessment addendum. And that addendum will come
17 in after you've had a chance to look at what the
18 staff has decided to say about this process.

19 This process, also, is a six-month AFC
20 review. And that's a little different. It moves
21 a little more quickly. We had a 12, we had six,
22 we had a four-month process. That's gone, the
23 four month is gone. I personally was involved
24 with a 60-day retooling process for Huntington
25 Beach. And so these -- this was when we were

1 right in the middle of the blackouts and there was
2 an existing power plant.

3 So these earlier ones, the quick
4 turnarounds are gone. The six-month is here, and
5 this project has been granted to proceed under the
6 six-month at this time.

7 We also make recommendations to the
8 Committee. And that's what that staff assessment
9 is, it's staff's recommendation to Art and
10 Commissioner Laurie.

11 Environmental subject areas analyzed in
12 the staff assessment, and these are the areas,
13 these are the environmental areas. And, again, I
14 won't go through each one of them, but you can see
15 it's fairly extensive, and we have staff assigned
16 to each one of these areas. They are technical
17 professionals that have extensive background in
18 each one of these areas.

19 And believe me, with as many projects as
20 we've been doing and involved with, I'd like to
21 find somewhere else where you'd find as much
22 professional expertise in siting of power plants.
23 Because it's fairly extensive here at the Energy
24 Commission.

25 Engineering. These are the areas that

1 we cover for engineering. And, again, the same
2 thing. Very technical. People with a lot of
3 exposure that's gone on here in the last few
4 years, and many years before that. But in the
5 last couple years there's really been, in the
6 intensified situation that I'm sure you're all
7 aware of.

8 What happens after the staff assessment
9 and addendum. At that point the Committee issues,
10 it actually has -- this is a little wrong here.
11 The first thing that happens is we have some
12 hearings, workshops on both of these, but the
13 Committee issues a Presiding Member's Proposed
14 Decision. And that's what they're going to
15 propose to make as a recommendation based on all
16 that information that you provided, the staff has
17 provided, Calpine has provided and any other
18 intervenors have provided.

19 And in that finding it contains the
20 findings relate to environmental impacts, public
21 health, engineering and project compliance with
22 LORS. Recommendations, conditions of
23 certification, recommends whether or not to
24 approve the project.

25 And the full Commission makes a decision

1 on that Presiding Member's Proposed Decision. CEC
2 monitors compliance with all conditions of
3 certification for the life of the project. And
4 that's all these conditions that got put in there,
5 and mitigation measures.

6 There's another aspect of this process,
7 and it's in my unit, those project managers follow
8 up on all these conditions to make sure that the
9 applicant complies with these things as they
10 operate the plant and develop and build it. And
11 that includes facility closure.

12 Local, state and federal coordination.
13 We work closely with local, state and federal
14 agencies. Some of these local are the City of San
15 Joaquin, Fresno County and San Joaquin Air
16 Pollution Control District. It's not limited to
17 those, but those are a couple of examples of that.

18 We also work with the state, other
19 agencies, and that's California EPA and associated
20 agencies, which are like Air Board, Water Board
21 and again it's not limited to that. The
22 California Department of Fish and Game. You know,
23 there's not enough room to list them all on these
24 slides.

25 Federal examples are U.S. Fish and

1 Wildlife Service, U.S. Environmental Protection
2 Agency and U.S. Army Corps of Engineers. Again,
3 samples, but not limited to those individuals.

4 About the public process. This is very
5 important. Roberta's not here. Again, her name
6 will show up on the slides later. And she has
7 asked me to let you know if you're with the public
8 or an intervenor that would like to get involved
9 in this process, to make sure you contact her.
10 She goes to great lengths to keep you informed;
11 hook you up with the right person to talk to when
12 you have questions or input you want to put in.

13 I would say me, but Matt Trask will
14 definitely be available to you. She will also --
15 we'll notice the workshops and hearings seven to
16 ten -- it's actually 10 to 14 days in advance.
17 But on occasions, with this six-month process,
18 occasionally it happens to be seven to ten instead
19 of 10 to 14.

20 It is the targeted 10 to 14; it would be
21 rare that it does seven, but I don't want somebody
22 to be misled to say that sometimes these things
23 slip because of the six-month process.

24 Mailing lists. The Public Adviser makes
25 sure that your name gets on a mailing list.

1 Documents are available for public review. And
2 here are those libraries that were mentioned
3 earlier. And these are the locations they're at.
4 And there's quite a few libraries that you can
5 access this document.

6 It has been distributed in hard copy.
7 I'm sorry I wasn't involved -- CDs, as well.
8 Okay, CDs as well, which is helpful. So you can
9 bring a laptop, or possibly somehow access that
10 and send yourself copies electronically.

11 Anyway, and so these are the locations
12 that they're at. And, again, to get these you can
13 either have one of these hard copies that were set
14 here, or contact Matt Trask or the Public
15 Adviser's Office. And they'll make sure you have
16 access to those locations and information.

17 You can participate by submitting
18 written comments or statements to the Commission;
19 provide oral comments at public meetings; become a
20 formal intervenor -- contact Roberta on that --
21 and provide written comments on the SA.

22 Now, that staff assessment, when it's
23 produced, there's a schedule that's going to show
24 up here, that will go to all these locations where
25 the application went. And you'll have an

1 opportunity.

2 And also, there's an electronic copy of
3 that available that you can contact the Public
4 Adviser, or, again, Matt Trask, and he can email
5 that to you, so that you can have that on your
6 computer.

7 The contacts for this process. And
8 here's those numbers, and again some of this is a
9 little redundant, but here's a visual on it. And
10 this, again, can be sent to you electronically.
11 And there's Matt's number and email address; and
12 the Energy Commission's webpage.

13 Cheryl Tompkin, the Commission Hearing
14 Officer, here's her phone number and her webpage
15 address. Here's the Public Adviser's information.

16 And here's Central Valley Energy
17 Center's information. Mike Argentine, who is
18 sitting right over here, here is his phone number
19 and his email address. And he -- I've talked a
20 lot about the Energy Commission talking to you and
21 providing information, but believe me, it's not
22 limited to talk to us. Calpine are a group that
23 are making themselves available to you to discuss
24 any of your concerns and issues.

25 And actually if you don't like what you

1 heard there, that's when you come to us. If it
2 looks like that's the deal, or to cross-check what
3 you're hearing from Calpine with the Energy
4 Commission, there are other ways to do this.
5 We're both available to you to discuss.

6 And we're not working for Calpine; we're
7 not really working for the Commissioners; we're an
8 independent party, our staff, to do this analysis.
9 And we are not influenced by the position. What
10 we are influenced by is the data and the reality
11 of what we find out here when we're doing this
12 process.

13 Staff's issue identification report. I
14 left some of those issue identification reports on
15 that table, hard copies, as well. And, again,
16 it's available. Everything, the data requests,
17 the issue identification report are all available
18 on our webpage, the application.

19 And the reason why I mention staff
20 issues identification report, because there are
21 issues that have been identified this early in the
22 process. And we are in the discovery phase of
23 this process.

24 So what we have here, the purpose of
25 that staff identification report is to inform

1 participants of potential issues, and early focus
2 on these issues. What have we identified that
3 looks like it could be an issue. Doesn't mean
4 that it's a deal breaker, or that it's going to
5 stop anything. It doesn't mean that it is even a
6 real problem, but at this point in this early
7 process, it looks like it's an issue to the staff.

8 The criteria for that are impacts may be
9 difficult to mitigate. Noncompliance problem with
10 the LORS, that's laws, ordinances, regulations and
11 statutes.

12 Potentially contentious, that covers a
13 lot of ground. And issues that may impact the
14 schedule, that may bump this from a six-month into
15 a longer process.

16 Here are three of the potential issues
17 identified by staff. They are biological
18 resources, environmental justice and visual
19 resources.

20 I'm not going to read these in their
21 entirety again. It's available to you in hard
22 copy and electronic copy. And you can take a look
23 at these.

24 Again, they are just issues that look
25 like they may have -- they met that criteria that

1 was on the last page. And so they've been
2 identified. And that's about it at this stage.

3 Here is the staff's proposed schedule
4 for the six-month licensing process. You see
5 here, January 9th, that's when the AFC was deemed
6 adequate. January 24th the staff issued data
7 requests. Also on I believe it was February 2nd,
8 I issued the -- I'm sorry it's not on there -- the
9 issue identification report. I should have
10 checked that, I came in here kind of last minute
11 to cover for Matt, and so that was my fault,
12 overlooking that issue.

13 But it was issued, I believe, on the 2nd
14 of February, the issue identification. I can't
15 remember right now. Anyway, the Committee
16 informational hearing here today, February 7th.

17 Staff holds data response and issue
18 resolution workshop March 7th. Now, this
19 schedule, if you're wondering how the schedule was
20 developed, it's based on some basic six-month
21 criteria. And Matt had developed this schedule,
22 and I plugged these numbers in. So if you want to
23 go into detail I can't explain it to you today,
24 but I can guarantee you if you want to find out
25 next week, Matt will be available to explain that

1 schedule.

2 Anyway, March 7th staff holds data
3 responses and issue resolution workshop. And
4 that's after Calpine has had time to look at these
5 things and has responded to the staff about these
6 issues. The workshop will be noticed, and
7 everybody can talk about all these issues.

8 Again, March 11th, Air District issues
9 preliminary determination of compliance, and
10 that's when the Air District has reviewed this AFC
11 and other information, and decides whether or not
12 that, I believe, the fees have been paid and that
13 the offsets have been purchased, and other issues
14 that they look at.

15 March 25th, federal agencies draft
16 determinations. That's if there has to be input
17 from federal agencies, which could be the, again,
18 Fish and Wildlife many times have to make a report
19 that they turn in. And I don't know that that's
20 the case here, but remember, because of the linear
21 facilities, which are the gaslines, transmission
22 lines, waterline, they may interrupt wetlands and
23 areas that are under federal jurisdiction. And
24 they have to write a biological opinion on those.

25 And so when they write their biological

1 opinion, we're looking for comment on that
2 opinion.

3 Staff publishes the staff assessment on
4 March 25th. At that point that's when you'll have
5 a good photograph of what the staff views, as how
6 they view this project.

7 April 9th staff conducts first workshop
8 and obtains public comments on staff assessment.
9 Pretty self explanatory.

10 April 19th, local, state and federal
11 agencies file determinations. Again, on any of
12 the issues that's that bio opinion, the final bio
13 opinion.

14 April 29th staff publishes staff
15 assessment addendum. That addendum would be
16 reflective of these workshops. And, again, some
17 of the information that has been issued from local
18 or state agencies to decide what's, you know, that
19 information hasn't been put into our staff
20 assessment. Not that it was ignored, but things
21 have evolved, because things tend to evolve as we
22 discover situations here.

23 Then there's hearings for the staff
24 assessment. And the Presiding Member's Proposed
25 Decision. And then we have the final decision.

1 And the target date on that is July 8th.

2 And I believe that's it for this slide.

3 Again, if you have any questions I'll be glad to
4 answer what I can. For the most part, you'll find
5 that we're real accessible if you find the need to
6 discuss an issue.

7 And I thank you.

8 HEARING OFFICER TOMPKIN: Thank you, Mr.
9 Caswell. At this time, then, we'll ask the
10 applicant to make its presentation.

11 MR. ARGENTINE: We may be somewhat
12 technically challenged here, so let's see if this
13 works.

14 While we're getting our presentation
15 together the first thing I would like to say is
16 thank you all for coming to this informational
17 hearing. This gives us an opportunity to present
18 our energy solution for the Central Valley Area,
19 which is, indeed, our Central Valley Energy
20 Center.

21 I want to thank particularly all of you
22 from the public because I know you have busy
23 lives, and also, of course, the Energy Commission
24 Staff, and of course the Commission and
25 Commissioner Rosenfeld and his staff, too, for

1 coming out.

2 And now if we can only get our
3 presentation so it shows on the screen it will be
4 even better. Hopefully we'll do better when we
5 build the power plant than we are in putting this
6 presentation together. I'm sure we will.

7 (Laughter.)

8 (Pause.)

9 MR. ARGENTINE: I know one of the things
10 I'd probably be most interested in, if somebody
11 was coming in to build a power plant in my
12 community, is, you know, who was trying to do
13 this. So, what I'd like to do is kind of give you
14 an introduction as to who Calpine really is.

15 Calpine is a California-based company
16 and our headquarters are in San Jose. We started
17 operations in 1984. Currently we're the largest
18 geothermal energy producer in the world, so we're
19 very committed to, not only clean gas-fired plants
20 that you're going to hear about with this one, but
21 also renewable resources such as geothermal.

22 We also have operations in 29 states,
23 including Canada and the United Kingdom, which
24 represents about 40,000 megawatts total.

25 Now, what are our plans for California,

1 you know, what are we doing in California. Well,
2 right now we have 2400 megawatts in operation in
3 California, which includes our two energy centers
4 that we brought online just in time for the peak
5 of last year to help us get over that really rough
6 period. And the combined capacity of those two
7 facilities was about 1000 megawatts.

8 In addition, we have 2300 megawatts
9 currently under construction which represents
10 three different projects.

11 Our mission at Calpine is to produce
12 clean, reliable electrical energy. Calpine is an
13 operations based company. That is, we're not a
14 passive investor. I mean there's some developers
15 that come out and develop land, and then basically
16 sell the property to somebody else to finish.
17 But, in our case, we're what I would call an
18 active investor.

19 The first thing we do is we develop an
20 initial concept for a power plant. And then once
21 we've developed that concept, we find our
22 location. We acquire the site. And then we
23 license the site like we're trying to do here.
24 Engineer the project; construct the project. And
25 eventually operate and maintain the facility.

1 And we're extremely proud of the way
2 we've operated in the past. Not only our
3 operating record, but our safety record.
4 Typically, you know, the Calpine operators now
5 have 25 to 30 years of experience. And one of the
6 things we also believe in is the safety, like I
7 said. And safety is paramount.

8 And so we have an ongoing training
9 program for operators to insure that they receive
10 the most up-to-date safety training and operator
11 training throughout their Calpine careers.

12 Now, why do we need a project like this
13 in the central valley. Well, what I'd like to do
14 now is introduce Ali Amirali, who is our Director
15 of Transmission Contracts at Calpine. And he's a
16 former employee of the California Independent
17 System Operator, where he worked on reliability,
18 must-run contracts, and reliability in the
19 transmission system. And he's also a former
20 employee of Pacific Gas and Electric, where he
21 worked in the Fresno area on the transmission
22 system here.

23 So, he's uniquely qualified to discuss
24 the need for this project in this area. Ali.

25 MR. AMIRALI: Thank you, Michael. This

1 is kind of funny because when I -- start with a
2 funny story.

3 I left college, came to work, and I
4 worked in Fresno for eight years. And I was
5 involved with the transmission system operation of
6 Fresno area.

7 When I went to the ISO my boss came and
8 said, why don't I give you Fresno area so you can
9 work on Fresno area because you know it.

10 And when I joined Calpine my wife came
11 to me and said, you know what, since you're
12 joining Calpine, Calpine will build a power plant
13 in Fresno.

14 So the first day I go there, guess who
15 is the first person who is waiting to meet me.
16 Frank Middleton, who is the project developer for
17 this area. So I ended up with Fresno again. So
18 my career keeps coming around in Fresno.

19 Reliability of a transmission system is
20 measured by -- has got a barometer. And basically
21 what we use is two yardsticks to measure the
22 ability of any transmission system to serve the
23 load in that area.

24 One is called adequacy; and the second
25 is called security. Adequacy has to deal with is

1 there adequate capacity, generation or
2 transmission, to serve the need of the area.

3 The security deals with the fact that if
4 there is a contingency can the system come back
5 and recover from the contingency and become
6 stable, and we don't get into any kind of rotating
7 outages like we saw in 1996.

8 Central Valley Energy Center improves
9 the reliability, as well as reliability from both
10 security as well as adequacy point of view for the
11 Fresno area.

12 So I'm going to start with a few facts
13 and list them out, and then go back and point out
14 as to how Central Valley Energy Center addresses
15 those needs for this area.

16 First of all, Fresno is approximately
17 3000 megawatts of load. Now, the number, by
18 itself, doesn't mean anything, so let's put that
19 in perspective.

20 The demand of Fresno/Yosemite area is
21 three times that of the City of San Francisco, the
22 peak load. So Fresno is not a small area.

23 Second, from the late '80s to the early
24 '90s, Fresno was considered to be the fastest
25 growing area, electric area in PG&E's service

1 territory. It was only second fastest growing
2 area in the whole western U.S., after Las Vegas
3 Strip. So Fresno area demand did increase quite
4 rapidly.

5 Third, the entire generation portfolio
6 into Fresno area is made up of hydro resources.
7 And on top of that, California Independent System
8 Operator considers Fresno to be one of their most
9 reliability challenged areas. It is to
10 reliability challenged that every megawatt, every
11 merchant megawatt into Fresno area is considered
12 reliability must-run. That means at some point or
13 the other that Fresno area generation is required
14 to satisfy the needs of this particular area,
15 itself.

16 Now, just the fact that the entire, all
17 our generation eggs are in one basket screams out
18 for the fact that we'd acquire more generation and
19 diverse generation that's not hydro into this
20 area.

21 Now, Central Valley Energy brings one,
22 efficient, and two, clean resource into the Fresno
23 area thereby addressing the supply or adequacy
24 need for this area.

25 Second, it is located in the most ideal

1 location into Fresno area. Fresno, there are two
2 main busses, or the two main entry points into for
3 serving the demands of the Fresno area. And one
4 is at McCall, we all know where that is. And
5 second is Herndon substation which is right at the
6 corner of Herndon and 99. Those are the two key
7 entry points into for the Fresno area transmission
8 system.

9 The generation from Central Valley
10 Energy Center flows equally almost to both those
11 substations, thereby improving the entire
12 reliability of the Fresno area.

13 Now I'm going to give it to Michael so
14 that he can go through more details of the site.
15 And he pulls it away from me.

16 MR. ARGENTINE: I did. Thanks, Ali,
17 you've said enough, I think.

18 (Laughter.)

19 MR. ARGENTINE: You know, over a year
20 ago we started working with federal, state, county
21 and local officials to try to come up with an
22 energy solution to the problem that Ali just
23 described. I couldn't describe it as well,
24 obviously.

25 We wanted to develop a solution that not

1 only respected agriculture, but protected the
2 environment and the natural resources in the
3 Fresno area, while at the same time provided clean
4 and reliable energy.

5 Hence, what was the solution we came up
6 with? Well, it's the Central Valley Energy
7 Center. It's a 1060 megawatt facility that we're
8 going to be locating here at the City of San
9 Joaquin. I want to talk a little bit about some
10 of the more important points regarding that
11 Center.

12 First of all, I mean this project has
13 tremendous community support. And when I get an
14 opportunity later on, what I'd like to do is
15 provide some of that support, some of the support
16 letters that we've already received for the
17 project.

18 Secondly, the project will be a combined
19 cycle facility, which we discussed during our tour
20 of the property. And that means it's about 40
21 percent more efficient than typical generating
22 units currently in operation right now.

23 The project will be using best available
24 control technology for the reduction of air
25 pollutant emissions. And that means it produces

1 60 to 90 percent less emissions than some of your
2 existing power plants in operation right now.

3 We'll be using reclaimed wastewater for
4 cooling. That water is going to be coming from
5 the City of Fresno's wastewater treatment
6 facility. So therefore it's a win/win situation
7 for both the City and Calpine.

8 Additionally, the project is located on
9 an 85-acre site within the City of San Joaquin;
10 and it's already zoned industrial. So, it's in an
11 area where one of the uses allowable is a thermal
12 power plant.

13 So, I mean this project, I think, is a
14 perfect match for this area in that it serves the
15 need that Ali just described.

16 What I'd like to do now is introduce, or
17 have Tom Lagerquist speak a little bit more on the
18 environmental features of the project. A lot of
19 you have met Tom already, as he so ably conducted
20 the tour of the facility. Thank you.

21 MR. LAGERQUIST: Thank you, Mike. I'm
22 Calpine's Environmental Manager. And I wanted to
23 give an overview of the environmental features and
24 aspects of this project. Now, it's going to be a
25 brief overview for two reasons. One is I don't

1 want to bore you, but the second is that there
2 really are very few environmental issues
3 associated with this project.

4 Calpine worked very hard to find a
5 suitable site. And in order to successfully
6 develop a thermal power plant like this there's
7 really four key components.

8 One is a good site; and then the second,
9 third and fourth are infrastructure components.
10 We need access to natural gas, fuel. We need
11 access to water for cooling. And we also need
12 access to the transmission system so that we can
13 get the energy onto the local grid, and in this
14 case serve the Fresno load area.

15 The next slide here I'm going to go into
16 a little bit of detail on the location relative to
17 the infrastructure for the project.

18 The satellite image here shows
19 Interstate 5 on the west side. The gas pipeline
20 running down Manning Avenue into the project site.
21 And you can see the project site in the City of
22 San Joaquin right in the middle of the central
23 valley here where it can serve the Fresno load
24 area, up and down the valley, as well, via the
25 Helm substation.

1 Reclaimed wastewater will come from the
2 Fresno wastewater treatment plant. As Mike
3 mentioned, the site, itself, is zoned for
4 industrial and is located away from other
5 sensitive uses.

6 Mike mentioned the water for this
7 project. I think that's one of the key components
8 that will make this project so successful is that
9 we have access to reclaimed wastewater from the
10 City of Fresno. Calpine entered into a contract
11 with the City of Fresno and Fresno Irrigation
12 District to obtain up to 7000 acrefeet per year of
13 water that's come through the Fresno wastewater
14 treatment plant, been processed and disposed of
15 into the ground.

16 We're taking that water back out, off
17 the top of the mound that's formed. It's not
18 groundwater, it's actually wastewater that's just
19 made it down to the top of the groundwater layer
20 forming a large mound.

21 As Mike mentioned that helps the City of
22 Fresno manage that groundwater mound. They need
23 to make some withdrawals from that to keep it a
24 manageable size.

25 And finally, after Calpine builds the

1 facility, builds the pipelines, it's got a zero
2 liquid discharge for the outfall of any water.
3 There will not be any water discharged into ponds
4 or into surface water bodies. Rather it will all
5 be consumed either through the cooling process,
6 and the remaining water will then be boiled off in
7 something called a brine concentrator. And the
8 result is a solid sludge, essentially, that is
9 nonhazardous and can be hauled off to a landfill.

10 Calpine will verify the constituents of
11 that sludge periodically to insure that it remains
12 nonhazardous.

13 As Mike mentioned, the project, itself,
14 has a net air quality benefit. That means that
15 the air will be cleaner with the project than
16 without it. That's a little bit counterintuitive,
17 but the reason is because we have what's called
18 emissions offsets where for every pound of
19 emissions from the facility we have over one pound
20 of emissions taken out of the air basin via
21 purchases of credits that Calpine is making, air
22 pollution credits.

23 Mike already mentioned best available
24 control technology. I encourage anybody who's
25 interested to look at the AFC, the application,

1 and read more about all those types of interesting
2 technologies that keep the air emittance extremely
3 low for this type of project.

4 In fact, on many of Calpine's projects
5 they've been supported by major environmental
6 groups because of this technology. People feel
7 that installing clean power plants such as this
8 one will take out the demand for older, less
9 efficient, more polluting power plants, which is
10 really an important concept for California if we
11 want to keep our air clean. And, as Mike
12 mentioned, it's 60 to 90 percent fewer emissions
13 from the project.

14 I look forward to working with the City
15 and the agencies, and I want to thank the City
16 Council of San Joaquin. I've worked with them in
17 the past in getting this project ready to go.
18 They had the foresight to designate the site that
19 we're located on -- there's Betty -- for
20 industrial uses back in their general plan.
21 That's exactly what long-term city planning is all
22 about, and it's right here happening in the City
23 of San Joaquin.

24 And now back to Mike.

25 MR. ARGENTINE: Thanks, Tom. Well, I

1 mentioned before that the project's going to be 40
2 percent more efficient than other power plants
3 currently in operation. I was just going to give
4 you a brief indication of why that's going to
5 occur.

6 What I'd like to say, we're going to be
7 using advanced combined cycle generation
8 technology, and I'd like to say that there's
9 essentially two power plants in one, here.

10 What we have first is a gas turbine type
11 power plant where air comes into a compressor and
12 then it's preheated in the compressor, mixed with
13 natural gas fuel, combusted, and then those
14 combustion products turn a turbine which is
15 connected to a generator, to produce electricity.

16 And rather than exhausting those
17 combustion products directly into the atmosphere,
18 because there's a lot of heat in those products,
19 we take those produce and then the hot -- which we
20 call hot exhaust, and use them in a heat recovery
21 steam generator to boil water to produce steam.
22 That steam, in turn, is directed into a steam
23 turbine which drives a generator to produce
24 additional electric energy.

25 So that's why we're 40 percent more

1 efficient than some of the other power plants
2 currently in operation.

3 You know, with a power plant like this
4 we will likely be around for more than 30 years,
5 so it's important that we be a strong corporate
6 partner to the community.

7 Also, once we begin construction of this
8 project, we expect that there will be about 500
9 construction jobs generated during the 24-month
10 construction process for this \$600 million
11 facility.

12 Following the construction of the
13 facility, when it goes into operation, we expect
14 to have 25 to 30 full-time Calpine employees. And
15 the payroll for those employees will be in the
16 neighborhood of \$1.5 million a year.

17 Also the operating budget for this
18 project will be about \$10- to \$15-million a year.
19 And Calpine has the philosophy of hiring locally
20 where possible, and also using local vendors to
21 the extent possible. So there are significant
22 benefits to the community for siting this project
23 here.

24 In closing I'd like to say I want to
25 thank you for giving us the opportunity to present

1 this energy solution for the central valley area.

2 And I would be happy to answer any questions now.

3 Yes?

4 HEARING OFFICER TOMPKIN: Could you
5 please step to the mike, state your name and spell
6 your last name.

7 MS. RAMOS: My name is Maria de los
8 Angeles Ramos, R-a-m-o-s. Can I direct the
9 question now?

10 HEARING OFFICER TOMPKIN: Yes.

11 MS. RAMOS: The jobs that you're talking
12 about, are they -- what kind of skills do they
13 require? Do we have the local population that can
14 fill those positions, or are you bringing in
15 outside people?

16 MR. ARGENTINE: Very good question. The
17 way the construction process is going to work is
18 we'll be hiring a general contractor. And that
19 general contractor will be hiring labor from the
20 local union hall. We'll be using union labor.

21 But what we hope to do in this -- well,
22 what we will be doing in this community is holding
23 workshops to show the members of the community how
24 they can qualify eventually for those union scale
25 jobs. Because typically in order to qualify for

1 them you have to go through an apprenticeship
2 program. But we're going to be holding workshops
3 to show you how that can happen.

4 MS. RAMOS: Thank you. How long does it
5 require to go through that apprenticeship? I mean
6 are you going to still be in business? Is it
7 months, or how long is it?

8 MR. ARGENTINE: Well, it can -- it
9 depends on the actual job. It can require up to,
10 you know, as much as four years. But then there
11 are different levels of apprenticeship. You can
12 hire somebody directly off the street to do some
13 of the work. And then you're paid while you're an
14 apprentice.

15 MS. RAMOS: Thank you.

16 MR. ARGENTINE: Yes, sir?

17 HEARING OFFICER TOMPKIN: Before we
18 proceed with general public comment I'm going to
19 give the opportunity for any governmental agency
20 that is here and has a prepared statement to come
21 forward. Is there someone from a governmental
22 agency that wanted to make a statement at this
23 time? Will you please step to the microphone and
24 identify yourself.

25 MR. MANFREDI: You'll have to excuse me,

1 I have a slight cold. My name is Ron Manfredi,
2 I'm the City Manager for the City of Kerman.
3 Kerman is located about 12 miles to the south,
4 northeast of San Joaquin.

5 We'd like to welcome the members of the
6 Energy Commission, the staff, and of course, the
7 staff representatives from Calpine.

8 While I'm representing the City of
9 Kerman this evening as City Manager, I'm also a
10 Board Member of the I-5 Business Development
11 Corridor, a local regional economic development
12 board. I'm a Board Member of the Economic
13 Development Commission serving Fresno County. And
14 I'm elected Trustee for the State Center Community
15 College District, which represents most of Fresno
16 and Madera Counties, but I'm not representing the
17 College District this evening.

18 First of all, I believe that this area
19 needs the Central Valley Energy Center for a
20 number of reasons. As mentioned more eloquently
21 earlier by Calpine Staff, the balance of peak
22 demand versus current production levels to avoid
23 future shortages and imbalance in our state grid
24 system.

25 Also, the issue regarding the central

1 valley's current vulnerability to either natural
2 or terrorist disasters, and putting us in a
3 situation where energy supply would be cut off or
4 severely limited. In other words, in the central
5 valley we seem to be energy production isolated.

6 Also, a very important note, this region
7 is mentioned as the fastest growing area of
8 California. Our small City of Kerman is the
9 fastest growing community in Fresno County, and
10 grew by 57 percent in the '90s. We need the
11 future energy increased production level for
12 future capacity.

13 Another area sometimes not mentioned is
14 our ag economy. We need a reliable, fundamental
15 source for our base economy which is agriculture.
16 Pumping water and operating cold storage
17 facilities is expensive. The State of California,
18 America and the world must realize its dependence
19 and need of the central valley's ability to
20 produce food.

21 We all, as a nation, are trying to
22 conserve energy, but it's not the same thing when
23 you're watering your crops, to lower your
24 thermostat to 68 or keep it at 70. It's a little
25 bit different when your vines may die.

1 Regarding this food production
2 independence, we, as a nation, have looked at the
3 independence of energy related to oil as a
4 national safety issue for independence. And we,
5 of course, have put ourselves in quite a hole in
6 that area.

7 We must also look at the ability at this
8 point to be currently independent in the
9 production of food. Low cost, reliable energy is
10 an essential element of this larger equation.

11 There are also important economic
12 development issues. The central valley of
13 California did not share the prosperity of the
14 country and the rest of the state during the
15 latter part of the '90s. This area of Fresno
16 County, especially the west side, are made up of
17 poor communities.

18 This type of development, if
19 environmentally sound, is a certain positive boost
20 to our local economies. There are three important
21 elements to this.

22 First of all, the \$500 million
23 investment with a potential of 500 jobs over a
24 two-year period would be a tremendous economic
25 boost.

1 Secondly, the ongoing employment of 30
2 individuals in the region would make this one of
3 the larger -- pardon me, would make this one of
4 the more reliable, well paying, medium sized
5 industries of the area.

6 Third, the increased production of
7 electricity would bring a stability to our local
8 economy as this region continues to grow.

9 It appears, from what I have researched
10 and read, that the plant would be environmentally
11 sound. It appears that they use the most advanced
12 technology available. The plant would utilize
13 water, wastewater from the Fresno City wastewater
14 treatment plant. As mentioned, that's a win/win
15 situation. They are facing a very difficult
16 environmental status regarding the disposal of
17 their water. In fact, if you need extra water,
18 the City of Kerman would love to have you put a
19 pipeline to our wastewater treatment plant.

20 The third aspect, of course, is that for
21 any emissions, from what we understand, for any
22 emissions that the plant would emit that there
23 would be an offset for other regional plants.
24 Therefore, on an economic basis, as well as
25 environmental basis, those plants in the area

1 would win.

2 Regarding support for this plant, the
3 Kerman Chamber of Commerce has recently sent a
4 letter of support. I have that with me to produce
5 for you. The I-5 Business Development Corridor
6 approved the letter of support yesterday afternoon
7 at its monthly board meeting.

8 The Kerman City Council will have a
9 letter of support ready for their February 20th
10 meeting. The Economic Development Corporation
11 serving Fresno County will have a letter of
12 support at their meeting later in the month.

13 In closing I'd like to state that we
14 live and work in this area. We think that there
15 should be a fair and equal distribution of energy
16 resources throughout California. And currently it
17 appears that the central valley does not share in
18 that. This is about reliability, about fairness,
19 economic development and reasonable energy costs.

20 Thank you very much.

21 HEARING OFFICER TOMPKIN: Thank you.

22 I'd also note that the representative for
23 Assemblyperson Sarah Reyes, Ms. Feleena Sutton, is
24 present. Would you like to make a statement at
25 this time?

1 MS. SUTTON: Thank you. Good evening,
2 and welcome, Commissioner Rosenfeld. Thank you
3 for coming to San Joaquin, the beautiful new part
4 of Assembly District 31. And thank you, again, to
5 the panel and welcome.

6 We have on record already a letter of
7 support from Assemblymember Sarah Reyes, who has
8 definitely staunch support for this program here
9 in the City of San Joaquin. And if you need extra
10 copies of that, I'm very happy to provide that for
11 you.

12 But, in addition to the letter of
13 support, she asked me to be present this evening
14 to once again state her support for this project.
15 Before she did deliver her support for Calpine and
16 the energy plant that will be located here -- that
17 we hope to be located here, she did look at this
18 with two hats.

19 And that first hat is that she's the
20 Chair of the Committee on Jobs and Economic
21 Development, which not only looks at how to bring
22 jobs throughout the state, but in her heart she
23 looks at how to bring jobs to the central valley.

24 The second hat she wore at that time was
25 her hat for the Subcommittee on Public Utilities.

1 Putting those two together, needing jobs in the
2 central valley, while keeping in mind the need for
3 public utilities, it was a very natural venture
4 for the Assemblymember to take a look at the needs
5 of energy, the need for jobs, and to
6 wholeheartedly support this project here.

7 I think that that's very simply stated,
8 and that I probably don't need to keep you here
9 all evening to once again go through the merits of
10 it. But for the residents of the City of San
11 Joaquin, we certainly welcome any calls to our
12 office if you need to discuss this with us, and
13 welcome any calls from the Commissioner or anyone
14 on this panel if it needs to be discussed further.

15 Thank you so much.

16 HEARING OFFICER TOMPKIN: Thank you.
17 Are there any other governmental agencies?

18 MR. MCINTYRE: Good evening, my name is
19 Martin McIntyre. I'm the Public Utilities
20 Director for the City of Fresno. I'm here today
21 to represent the support of this project by the
22 City Council and Mayor of the City of Fresno.

23 We've taken a long look at this project,
24 been considering and ultimately supporting the
25 project over the past seven, eight months.

1 I would like to stress for the general
2 audience that though the Fresno service area
3 incorporates the City of Fresno, or the name of
4 the City of Fresno, it is a very wide area. And
5 the quality of power generated by this facility
6 will benefit an area from the base of the Sierras
7 all the way over to the west side, from Modesto
8 almost all the way down to Kings County.

9 There are many potential benefits for
10 the attraction of businesses, and particularly
11 high tech businesses dependent on high quality
12 power, reliable power.

13 So, thank you for the opportunity to
14 comment.

15 HEARING OFFICER TOMPKIN: Thank you.

16 MR. MARTINEZ: Good evening, my name is
17 Anthony Martinez. I'm representing Proteus
18 Workforce Connection at 15180 West -- Bridge,
19 Kerman, California.

20 We also think that this project is a
21 very very good project for our community and for
22 our area. We think it's going to stimulate the
23 economy, and at the same time, jobs.

24 Our proposal is to create jobs. And
25 that is why this proposal seems very very

1 stimulating to this community.

2 But at the same time I want to say that
3 it makes me proud that this community is involved
4 in this venture because I was brought up in this
5 community, as a matter of fact. It made me feel
6 proud when I walked in. I see my grade teachers
7 here, Mr. and Mrs. Ramos; the Mayor is an
8 acquaintance of the family, Mr. Estrada. Betty
9 Vallejo and Rosemary are on the School Board. I
10 went to school with these folks.

11 So I know the necessity in this
12 community. I know how important it is to be able
13 to attract an outfit like Calpine to come in and
14 do something in this community.

15 I didn't move very far. I'm just down
16 the street in Mendota. I happen to be the
17 President of the Chamber of Commerce in Mendota,
18 also. So, I know that this is going to stimulate
19 some jobs.

20 Again, we are supporting it. Also, by
21 the February meeting you will have a letter of
22 support from the Mendota Chamber of Commerce,
23 because this type of a project is going to
24 overflow, and not only help San Joaquin, but it's
25 also going to help the surrounding communities.

1 And we feel very proud and very happy that this is
2 going to be happening in this community.

3 Thank you very much.

4 HEARING OFFICER TOMPKIN: Thank you.

5 Any other representatives of the governmental
6 agencies?

7 MS. ABAJIAN: Yes, Shelly Abajian on
8 behalf of Senator Jim Costa, 16th District,
9 Senate. Abajian, A-b-a-j-i-a-n.

10 I have a small quote here from a
11 previously written letter in support of the
12 project on behalf of Senator Costa:

13 "The Central Valley Energy Center provides a
14 win/win for our communities energy needs. In
15 addition to providing 1100 megawatts of much
16 needed electricity and helping solve
17 wastewater challenges in the neighboring
18 communities, the project will attract new
19 businesses and result in 25 new full-time
20 jobs in the area."

21 The Senator, being the Chair of the
22 Agricultural Water and Resources Committee, is
23 very interested in this project because of its use
24 of water and stimulating the economy in the valley
25 here, which is going to be affected by

1 agricultural fallout in the next few years. So it
2 is important to establish this energy park center
3 and cultivate new jobs and positions.

4 So, thank you for hearing me.

5 HEARING OFFICER TOMPKIN: Thank you.

6 MR. SERRATO: Good evening, Gary
7 Serrato, General Manager of the Fresno Irrigation
8 District.

9 I can tell you when Calpine first came
10 to my Board and asked to consider the idea of
11 moving water outside of District boundaries to
12 another area, it wasn't something that was
13 received very well.

14 We do have groundwater policies that
15 we're dealing with, but we also took a step back
16 and took a look at well, what are the benefits
17 that this is going to bring to our growers within
18 our District.

19 I can tell you that we are conjunctive
20 use district, which means we're not only
21 delivering surface water, we rely on our
22 groundwater aquifers to be pumped out, as well.

23 So when the opportunity arose we took a
24 look at it and I can tell you that my Board fully
25 supports the Calpine efforts, to have a reliable

1 energy source so that our farmers can turn to
2 their pumps and have the energy there when it's
3 required is the second portion of being a
4 conjunctive use district.

5 So, I'm here to say that we're in total
6 support of the Calpine efforts. Thank you.

7 HEARING OFFICER TOMPKIN: Thank you.

8 MR. ESTRADA: My name is Mike Estrada,
9 E-s-t-r-a-d-a. I'm Mayor of the City of San
10 Joaquin. And with all the positive talk I've
11 heard tonight, and all the people that are in
12 favor of this project, I know we are in favor of
13 it. And I haven't heard anything against it.

14 And as far as I know, and I think
15 everybody that's here hope this project is funded
16 and goes through the way which it should go
17 through.

18 Thank you.

19 HEARING OFFICER TOMPKIN: Thank you. If
20 there are no other representatives of governmental
21 agencies, we'll see if there are any comments by
22 intervenors? All right, there are none.

23 Then we will proceed to questions by
24 members of the public.

25 MR. VALTIERRA: Good evening, my name is

1 Tony Valtierra and I am representing the Fresno
2 Area Hispanic Chamber of Commerce. I serve as the
3 Vice President for this year.

4 We've had several meetings with Calpine;
5 looked closely at the project; asked questions.
6 And with that in mind, and as a business
7 organization concerned about the economic future
8 of the valley, we fully endorse the project for
9 Calpine.

10 And we do that for several reasons. The
11 first one is, and I think everybody's mentioned
12 it, we're the fastest growing area in the State of
13 California, and our future energy needs will not
14 be met if we remain this way.

15 The second thing is it is important for
16 us to have energy to attract business, and have
17 business retention here in this valley.

18 The next one would be the fact that the
19 west side, especially San Joaquin, could use an
20 infusion of capital, job creation, and ultimately
21 I think Mike said it, possible training for these
22 people.

23 And I hope that Calpine kept their word,
24 and they train local people; work with local
25 vendors. And I hope that some of our members can

1 participate in some of these contracts that will
2 be coming up.

3 So, with that in mind, the Fresno Area
4 Hispanic Chamber of Commerce will endorse the
5 project. Information will be available on our
6 behalf, so if anybody needs to contact us, we're
7 available for comments.

8 Thank you for your time.

9 HEARING OFFICER TOMPKIN: Thank you.

10 MR. ERRO: My name is Phillip Erro. I
11 own agricultural land just west of here. And I
12 wanted to ask -- first of all, thank you all for
13 coming to our area and taking an interest in the
14 Fresno area.

15 I'm a native of Fresno, and my father
16 and his father ran sheep operations here in the
17 west side of the San Joaquin Valley, so I'm glad
18 that you've come.

19 I wanted to ask, in your designing, have
20 you contemplated up to now on this plant using
21 some of the heat, I know you're using about 80
22 percent of the heat that goes into the plant, so
23 your efficiency is high, but is there any thought
24 to a heat district type of concept where you would
25 use some of the heat for dehydrating garlic and

1 other commodities such as that? Onions, garlic,
2 that type of thing?

3 MR. ARGENTINE: At this time we don't
4 have any plans to do that.

5 MR. ERRO: All right, as you may notice,
6 just down the street here we've had garlic
7 processing here historically and so if there is an
8 opportunity to do that kind of a heat district
9 type of thing, I think it would really enhance the
10 local economy.

11 One of the garlic processors nearly shut
12 down this past summer because of the increase of
13 natural gas prices this time last year. So I just
14 wanted to leave that thought with you.

15 Thank you very much.

16 HEARING OFFICER TOMPKIN: Thank you.
17 All right, we'll proceed to the public comment
18 portion of this program at this time. And I will
19 start off calling the name of Mr. Jose Ramos. Did
20 you have a comment or questions?

21 MR. RAMOS: I gather I don't have to
22 spell my name since you already have it in
23 writing. I would like for my questions not to be
24 construed as opposing the project. We're looking
25 at a \$500 million investment by Calpine. I have

1 questions I suppose simply because of ignorance,
2 and I think, Mr. Argentine, you're the person to
3 answer them for me.

4 Like I said, here's a \$500 million or
5 500-pound gorilla, but I don't know the lifespan
6 of Calpine or plants similar to the one you're
7 proposing. In the event, hope not, in the event
8 something should not work out like it didn't work
9 with Enron, who takes care of this 500-pound
10 gorilla out there?

11 Since I live pretty close to it, it
12 would become a pretty miserable neighbor to me.

13 MR. ARGENTINE: Good question. First of
14 all I'd like to contrast the difference between
15 Calpine and Enron. We're an asset-based company.
16 We actually own hardware, so we're not a
17 financial-based company.

18 (Laughter.)

19 MR. RAMOS: Good.

20 MR. ARGENTINE: Secondly, since this
21 project will be providing a needed service, I
22 don't see the problem -- I don't see it going
23 away. I mean we're going to be providing a needed
24 service. We talked about how important it is for
25 the valley, so it's going to be there and going to

1 be operating.

2 MR. WHEATLAND: But, Mike, if I could
3 add, though, one of the important parts of the
4 Energy Commission's certification process is to
5 have a plan for the closure of the facility.

6 So, at some time the facility will
7 close, whether it's 30 years or 50 years from now,
8 and we want to be sure then that the site is
9 restored. And that there aren't any remaining
10 problems with the facility and any remaining
11 wastes.

12 So there will be an important part of
13 the final application, will be a plan for the
14 closure of the facility whenever that occurs. And
15 the Energy Commission will be responsible for
16 monitoring that and making sure it happens.

17 MR. RAMOS: Thank you very much.

18 HEARING OFFICER TOMPKIN: Thank you.
19 The next name is Maria de los Angeles Ramos. Did
20 you have another question? All right.

21 MS. RAMOS: The question that I have is
22 of a personal nature because I live close, I will
23 be living close to the plant.

24 So I am concerned about air pollution,
25 and I'm concerned about noise pollution. So, will

1 you please tell me about that?

2 MR. ARGENTINE: Well, like we said in
3 the presentation, we're using the best available
4 control technology to mitigate the air pollution
5 problem. We'll also be complying with all the
6 laws, ordinances, regulations and standards
7 relating to noise. So, --

8 MS. RAMOS: Mr. Argentine, maybe you've
9 answered my question for a professional, but I
10 haven't heard anything that I understand. Because
11 you can go by regulations and that doesn't tell me
12 how bad. Is there going to be a lot of noise? Is
13 there going to be a lot of pollution, air
14 pollution? So you really haven't answered at
15 least one section of the question.

16 MR. ARGENTINE: I understand.

17 MR. LAGERQUIST: Ms. Ramos, the
18 application that we filed with the Energy
19 Commission has a lot of detail in there that you
20 may or may not want to read, because it can get
21 pretty --

22 MS. RAMOS: Sure.

23 MR. LAGERQUIST: -- pretty dry compared
24 to somebody living next to the site, what's the
25 bottomline for the person living next to it.

1 Probably the best way to characterize
2 the noise is that it meets the standards for
3 residential house. So the County of Fresno and
4 the City of San Joaquin, they have standards that
5 say this is how much noise is allowable. And a
6 developer such as Calpine needs to meet those
7 standards. And the Energy Commission makes sure
8 they meet those standards.

9 So, to give you a comparison, if you
10 will, the highest noise level at any structure
11 will be about 49 decibels. And that is about the
12 sound of what you hear with a computer running in
13 your office. And that's at the nearest one,
14 that's not necessarily at your house.

15 So, there's some comparison charts in
16 the AFC, and I think you might want to look at
17 those to get an idea of what these numbers mean.

18 Now, I can throw out, you know, 45
19 decibels is another number that's used, it's
20 called, is quiet is what the subjective sound is,
21 subjective description of that.

22 MS. RAMOS: That's the kind of talk we
23 need.

24 MR. LAGERQUIST: Pardon me?

25 MS. RAMOS: That's the kind of talk and

1 explanation we need.

2 MR. LAGERQUIST: Yeah, there's a little
3 thermometer, a little chart in the document that
4 shows quiet, very quiet, you know, aircraft taking
5 off, vacuum cleaner. Doesn't have my kids
6 screaming, but that would be up there, too. So,
7 that's the type of information that's in there.

8 We could certainly get that to you or
9 you can contact the Public Adviser --

10 MS. RAMOS: No, that's all right. I
11 just needed to hear from you something that a lay
12 person can understand. Because you can throw a
13 lot of numbers at us, and say that you have met
14 certain standards, and I assume that you would
15 have to to come this far. But people need to
16 understand what you're talking about.

17 MR. LAGERQUIST: Okay.

18 MS. RAMOS: Thank you.

19 MR. LAGERQUIST: Do you want more on --
20 I have the same comparison on the air quality, as
21 well, if you'd like to hear that. Or similar.

22 The air quality is not -- the pollution
23 from the plant is modeled coming out of the
24 stacks. And the stacks are established at a
25 certain height to make sure that the pollutants

1 coming out of there disperse and don't cause any
2 ground level impacts.

3 So, we actually conduct a health risk
4 assessment that says if a person standing at the
5 area of the maximum concentration of emissions
6 from that plant, if they were there what would
7 their health effects be. And we have to get that
8 down to a level that says there would be no health
9 impacts.

10 HEARING OFFICER TOMPKIN: Thank you.
11 Our next speaker will be Maria Vasquez. All
12 right. How about Caterino Ruiz.

13 AUDIENCE SPEAKER: He actually had to
14 leave, too.

15 HEARING OFFICER TOMPKIN: As well.

16 (Laughter.)

17 HEARING OFFICER TOMPKIN: I thought we
18 were proceeding pretty rapidly.

19 Keith Freitas.

20 MR. FREITAS: Welcome, everybody; you've
21 already been welcomed, welcome again. I'm a
22 little small guy in this whole great plan and
23 design, but we've got a little property the family
24 owns right next to the plant. And we're part of
25 this annex deal; we're part of the pre-Calpine

1 entry into the San Joaquin area.

2 I'm probably going to pose a few real
3 quick questions here, but I just mainly want to do
4 some bullet-point stuff just to bring some reality
5 back into the picture.

6 There's a lot of numbers like Ms. Ramos
7 says, a lot of big numbers are thrown around.
8 Millions and millions of dollars, lots of workers.
9 It's going to be great for everybody.

10 That's the same thing the president of
11 Enron said right before they went under. It's
12 great. Next few years, six months, going to be
13 great.

14 I thought Mr. Serrato had a real
15 interesting scenario when he described how the
16 water district now is a conjunctive use district.
17 When a few years back some farmers out in Raisin
18 City tried to propose a waterline to bring water
19 from the Fresno Irrigation District out to Raisin
20 City. And it was denied, put down.

21 Go to Alta Irrigation District up there
22 and one of their biggest concerns at Alta
23 Irrigation Water District is you take groundwater
24 out of our district you get sued.

25 So I just have a concern about, you

1 know, why we don't have a lawsuit when we're
2 taking water out of an irrigation district.
3 Normally do if you're a farmer. You try to take
4 water out of an irrigation district, put it into
5 another district, without permission or without
6 controls or without governmental oversight, you
7 get sued.

8 One of the bullet points I want to bring
9 up is what happens when Fresno grows to 750,000
10 people in the next ten years, and we've built this
11 infrastructure designed to handle 7000 acrefeet of
12 water. We have the sewers plant out there. Is
13 the Calpine project designed to absorb the
14 additional gray water flow from 750,000 population
15 in the next ten years? Or is it designed to
16 expand to that growth? One bullet point.

17 HEARING OFFICER TOMPKIN: Well, why
18 don't we let Calpine address each question
19 individually. It might be simpler that way.

20 MR. ARGENTINE: The answer to the first
21 question, of course, is no, we're not designing
22 for using more than 7000 acrefeet of water.

23 MR. FREITAS: Okay. Another question
24 regarding the water since I'm on that matter,
25 subject matter. 7000 acrefeet of water is quite a

1 bit of water. You told me out there at the site
2 that there's no odor. But yet I heard tonight in
3 the presentation that there's a sludge that will
4 come off, a wet/dry sludge that will come off this
5 gray water after it's been burned in this plant.

6 Do you guys propose to add perfume to
7 the sludge to make it smell nice, or how does that
8 work, where there's no odor to waste sludge, human
9 waste sludge?

10 MR. LAGERQUIST: I think sludge was an
11 unfortunate term. A better way to characterize it
12 would be a mineral concentrate.

13 MR. FREITAS: Okay.

14 MR. LAGERQUIST: The wastewater is
15 treated at the Fresno facility, so all the sewage
16 aspects of it are taken care of before it's
17 disposed of into the spreading ponds.

18 When we take that water out it's got a
19 lot of dissolved solids in there, calcium and
20 sodium, salts. Those are the types of solid ions
21 that will then be dried out and they will form
22 that semi-solid cake.

23 It's as if you took a pot of water and
24 put it on your stove and boiled it off. That
25 residual salts, calcium, et cetera, is what the

1 remaining cake will be.

2 MR. FREITAS: So where does this sludge
3 get disposed of? Where do you dispose of it at?

4 MR. LAGERQUIST: Well, Fresno has its
5 own sludge -- they have, like any wastewater
6 treatment plant they've got a massive sludge
7 disposal situation. They do have the sludge from
8 the wastewater.

9 This dry concentrate here that we have,
10 the semi-solid, can be disposed of in any type of
11 landfill so long as it meets criteria for
12 disposal.

13 If it happens to have a constituent that
14 goes over the allowable level for certain type of
15 landfill, then it goes to the next higher level of
16 disposal in a different type of landfill. But
17 we're expecting it can be disposed of at any
18 ordinary landfill.

19 MR. FREITAS: So, you're saying right
20 out here on American Avenue, for example? Fresno
21 County Landfill.

22 MR. LAGERQUIST: It really depends on
23 who handles the sludge and where they -- how they
24 establish contract with the --

25 MR. FREITAS: Have you already

1 contracted with a company to take and handle the
2 sludge? Do you know where it's going yet?

3 MR. LAGERQUIST: No, we're about two
4 years away from -- the project takes two years to
5 construct. And in that time the operational plans
6 will come into effect.

7 The criteria we're working with is it
8 has to go to a licensed landfill. The State of
9 California regulates that. But beyond that we
10 have any number of different choices as to where
11 those landfills might be. The point is that
12 they're regulated landfills.

13 MR. FREITAS: Thank you. Another bullet
14 point is the private/public issue. Utilizing a
15 public, I would call it a resource, wastewater
16 today is considered a resource. A lot of waste
17 materials are resources now.

18 Utilize a public resource for a private
19 venture. I just want to just bring that -- just
20 touch that point for the Committee so that they
21 can just dwell on that for a little. I'm still
22 trying to figure out how to draw a conclusion from
23 that. This public/private, using public resources
24 for a private venture.

25 I'm sure you're a profit company,

1 correct?

2 MR. ARGENTINE: Yes.

3 MR. FREITAS: You're a for-profit
4 company. The water that comes through, the 7000
5 acrefeet of water that comes into San Joaquin, I
6 would probably in my mind I'm trying to figure
7 out, comes in as big pipes, being pumped here.
8 It's going to land right here in my backyard. And
9 it's going to be used in this plant.

10 If, for some reason, this plant is not
11 economically efficient or viable in five years
12 from now because natural gas is too high, your
13 dependency of this plant is on natural gas. Your
14 source of natural gas either comes from your
15 contract with Canada or your domestic sources.

16 But let's say those sources get to a
17 point where the cost of the source of the raw
18 material to run this plant gets to a point where,
19 hey, it's not cost effective anymore, boys,
20 bottomline here, we got to make money. We're
21 going to shut this plant down. What happens to
22 the 7000 acrefeet of water? Is there a provision
23 for that?

24 MR. ARGENTINE: Well, clearly if we're
25 not using the 7000 acrefeet of water, if that ever

1 happened, it would stay at the City of Fresno.

2 MR. FREITAS: There would be an
3 infrastructure that was millions of dollars. How
4 much is the cost of the -- how much is the
5 projected cost to bring that water out here at San
6 Joaquin?

7 MR. ARGENTINE: I don't know the answer
8 to that --

9 MR. FREITAS: Well, I've heard a figure
10 of 27 million. So we'll have a \$27 million
11 infrastructure sitting here that can't be
12 utilized, and we got a bunch of water sitting back
13 at the plant in Fresno because we don't have a
14 contingency for what to do with that 7000 acrefeet
15 of water when the cost effectiveness of running
16 this plant profitable changes.

17 Third thing, or fourth thing on water,
18 just the issue of water. This is, the proximity
19 of this plant puts it really close to a wetlands.
20 I think you're probably aware of that. And that
21 the James Irrigation District is tied directly
22 into that wetlands. The systems of the James
23 Irrigation District are tied and linked into that
24 wetlands.

25 If there was a -- I would just want to

1 consider that there's a contingency that involves
2 the issue of maybe some kind of overage, or
3 overflow of that water getting into that system
4 and eventually making its way through the
5 tributaries to that wetlands. I would have some
6 concerns with that.

7 On the power plant, itself, inside the
8 power plant there's a high pressure manifold, I
9 assume, isn't there some kind of a high pressure
10 manifold where this gas coming out of this big
11 gasline, what was it, 8000 or 800 pounds pressure,
12 psi, 800 psi? Comes into this plant to feed it.

13 Is there a manifold that accepts that
14 gas and then vent -- it into the generator,
15 itself, that fires it?

16 MR. ARGENTINE: Well, there are nozzles
17 that, you know, we actually boost the pressure at
18 the site using a gas compressor to around 600
19 pounds, I think.

20 MR. HARRISON: The PG&E pipeline
21 pressure about 20 miles away is in the average of
22 600 to 800 pounds. Now, it does vary. It goes up
23 and even goes down to around 400 pounds, and even
24 lower. Because PG&E cannot guarantee the pressure
25 that we require for our gas turbines, we have to

1 install some additional compressors for those rare
2 instances when the pressure of the pipeline does
3 decrease.

4 Now, the pipeline coming from I-5 will
5 be here, it will all be underground. It's going
6 to come to our site. And, yes, there will be
7 pressure let-down stations and booster
8 compressors, depending on the situation.

9 And then it will be going through pipes
10 to the various gas turbines, if that answers your
11 question.

12 MR. FREITAS: What I --

13 HEARING OFFICER TOMPKIN: Just a moment.
14 Can you just identify yourself for the record?

15 MR. HARRISON: I'm sorry; this is
16 William Harrison, Calpine.

17 HEARING OFFICER TOMPKIN: Thank you.

18 MR. FREITAS: Mr. Manfredi brought up a
19 real interesting concept about terrorists, when he
20 said this word terrorist. You know, we live in
21 this world now, we got terrorists.

22 I was picturing that place, and I was
23 looking at that thing, I was wondering if a
24 terrorist ever took control of that plant, could
25 they take that manifold, open that gasline, fill

1 up one of those turbines and use it like a giant
2 bomb?

3 MR. HARRISON: That's a good question.
4 I'll say no, because there's not a large reservoir
5 to hold a large amount of gas at a high pressure.
6 The pipeline is at a higher pressure. Coming into
7 the plant these are much smaller pipelines.
8 There's no large vessels or tanks or anything like
9 that. It's just going to be all small pipelines.
10 So as far as I can see, the answer would be no, no
11 large bomb.

12 MR. FREITAS: Cool. Somebody made a
13 statement about air pollution control credits, and
14 they said 60 to 90 percent fewer emissions. That
15 seems like a huge gap, like 30 percent
16 differential there between a 60 and a 90 percent
17 fewer emissions.

18 Can anybody address that?

19 MR. ARGENTINE: Well, it's just an
20 example of what, you know, the plants that are
21 currently in operation in California. So, I mean
22 some of them have emission control systems that
23 are about 60 percent less efficient than the
24 emission control system that we're proposing for
25 this plant. And some of them have emission

1 control systems that are 90 percent as effective,
2 less than 90 percent effective as this plant.

3 MR. FREITAS: So, are you talking -- Mr.
4 Argentine, are you saying that in the real world,
5 in the real time and space here that we live in
6 that these credits, these air pollution control
7 credits, that's dealing with air and I assume
8 noise control credits, right? Are you saying that
9 you're going to utilize those credits to offset on
10 paper the difference of what you can gain in real
11 time?

12 Do you understand my question --

13 MR. ARGENTINE: Yeah, I think we do.
14 What we're doing is we're offsetting -- for each
15 pound of emission that we're putting into the
16 atmosphere from the power plant we're required to
17 provide a similar reduction somewhere else of
18 greater than one pound of emissions.

19 And so that's how we're offsetting
20 emissions. So we're offsetting all of the
21 emissions from the plant for oxides of nitrogen
22 and also particulate matter.

23 MR. FREITAS: But those offsets won't be
24 necessarily realized here at this plant?

25 MR. ARGENTINE: I guess I don't

1 understand the question.

2 MR. FREITAS: Those offsets won't
3 necessarily be realized in real time here at this
4 plant, if you do that on paper? If you have --

5 MR. ARGENTINE: It's a --

6 MR. FREITAS: Maybe I'm confused about
7 what air pollution control credits are.

8 MR. ARGENTINE: The offsets are used on
9 a regional basis within the San Joaquin Valley.

10 MR. FREITAS: Does that mean that the
11 offsets are utilized here at this plant? Or is it
12 a paper process?

13 MR. SPEAKER: What it means is that
14 there's some other source of pollution within this
15 air basin that's being abated, it's being reduced,
16 or it's being eliminated. And we have to abate or
17 eliminate an equivalent amount, if not more, of
18 pollution before we can start up this plant.

19 MR. FREITAS: Is that on a monthly or
20 weekly or annual basis? How do you determine
21 that? How is that gauged?

22 MR. ARGENTINE: It's on an annual and
23 actually a quarterly basis. So you have to show
24 that your emissions on a quarterly basis have been
25 abated, on a quarterly basis within the air basin.

1 MR. FREITAS: Cool. Real quick on local
2 vendors and jobs. Just something real quick. I
3 know that the greater good, you know, you always
4 want that concept in your mind. It's better for,
5 you know, a million to gain rather than have one
6 benefit.

7 But this poor community is a poor
8 community out here. And even as a property owner,
9 we don't have a lot of money. All right, what I
10 see is I see a tremendous amount of stress coming
11 to this current infrastructure that we have, that
12 we live in. We live in an infrastructure right
13 now that maintains a certain status quo for the
14 business and the traffic and what comes in here.

15 And Calpine's talking about coming in
16 here; putting in this big power plant with 500
17 jobs. And there's going to be trucks and cars
18 every single day coming up and down this road,
19 coming over that railroad track. And I see a
20 tremendous stress on our community resources.

21 And I don't know, I just see kind of a
22 picture of maybe the for-profit, the big for-
23 profit company should maybe kind of consider some
24 additional structural advantages to the City, to
25 the community, and to the infrastructure that

1 would not necessarily -- that would necessarily
2 not cause the existing community to be imposed
3 with a financial burden of dealing with that extra
4 load.

5 I hope you understand what I'm saying.
6 I can give you a real quick example. A stoplight
7 on the corner of Manning and Colorado will cost
8 \$150,000. Because of your traffic are we going to
9 be required to put in a \$150,000 stoplight, and
10 then me, as a property owner on the corner, is
11 going to necessarily have to pay a portion of that
12 stoplight for your company to benefit building a
13 \$600 million power plant?

14 MR. LAGERQUIST: One of the many
15 chapters of the application for certification is
16 traffic and transportation. And as Mr. Caswell
17 indicated earlier tonight, the Energy Commission
18 has staff and consultant traffic experts.

19 What we have to do is similar to what
20 anybody else would do, in that the traffic is
21 analyzed. And if we cause a threshold to be met,
22 what's called a warrant, there's certain design
23 standards. For instance, when a certain amount of
24 traffic occurs you need a stop sign. And that's
25 warranted at a certain point.

1 If then you get more traffic, then they
2 look to see if there's a warrant for a signal, and
3 design a signal. If our project consumes too much
4 roadway capacity or reaches a signal warrant, or
5 otherwise causes a degradation in traffic levels
6 of service, then we are obligated to mitigate that
7 traffic impact.

8 MR. FREITAS: On the -- thank you --

9 HEARING OFFICER TOMPKIN: Mr. Freitas,
10 there are several other individuals waiting, so
11 I'm going to ask you --

12 MR. FREITAS: Okay.

13 HEARING OFFICER TOMPKIN: -- how much
14 longer, please?

15 MR. FREITAS: Can you give me -- I have
16 three more questions, four more questions.

17 HEARING OFFICER TOMPKIN: Quickly, thank
18 you.

19 MR. FREITAS: Quickly, very quickly. On
20 the general contractors and hiring union labor,
21 now I'm not really smart about this kind of stuff,
22 but I would think that if we're going to hire
23 union workers they're going to be outside people
24 that have never even seen the City of San Joaquin.

25 What do we do about making sure that

1 there's a beneficial impact to the people here
2 that are unemployed because of the region's ag-
3 based economy? What kind of provisions can
4 Calpine provide to make sure that we get a
5 substantial, and I mean substantial amount of that
6 employment base drawn from this community?

7 MR. ARGENTINE: Well, first of all, like
8 we said in the presentation, we're going to be
9 using local vendors to the extent possible. I
10 would assume that, you know, that by using local
11 vendors there's certainly an economic benefit to
12 the community.

13 Secondly, we are going to be holding
14 workshops to show members of the community how
15 they can qualify for the union jobs.

16 MR. FREITAS: And that qualification
17 process takes two years, and your building process
18 is two years. So by the time they qualify your
19 building's done?

20 MR. ARGENTINE: Well, not all of the
21 qualification process takes two years.

22 MR. FREITAS: Okay, I'm just trying to
23 understand how it works. I'm in support of the
24 project, don't get me wrong.

25 (Laughter.)

1 MR. FREITAS: No, I am. Hey, they
2 offered to buy my place and I said no, so I'm in
3 support of the project, because I haven't received
4 one financial beneficial gain from this project.
5 I can truly say that. It's cost me money.

6 But, I really just want to see far-
7 sightedness versus near-sightedness in something
8 this big, in a project this big. And I really
9 truly want to see this community get a direct
10 benefit.

11 I know you're going to bring 500,000 a
12 year in administrative costs, and then we've got
13 to depend on an administrative body that can fix
14 our roads, do our infrastructure and make sure
15 somebody gets a new community center, that's fine
16 and dandy.

17 But how about putting some real time,
18 real life beneficial impact into the pockets of
19 the City of San Joaquin, into the residents, into
20 the people and into the businesses. We have a lot
21 of blight here now, let's cure some of that blight
22 or do something to offset that blight. And let's
23 put some of these people to work, get some jobs
24 going.

25 That's all I'm trying to say. I mean

1 give these people a fixed rate on their utility
2 bill like you do with the Indian Reservations when
3 you build a power plant on an Indian Reservation.
4 We talked about this already, Mr. Argentine. I
5 mean, you know, give these folks a fixed utility
6 rate, 3 cents a kilowatt. That's fair.

7 HEARING OFFICER TOMPKIN: All right,
8 thank you, Mr. Freitas.

9 MR. ARGENTINE: Thanks, Mr. Freitas.

10 MR. FREITAS: You're welcome, thank you.

11 HEARING OFFICER TOMPKIN: Our next
12 speaker will be Dave Yancey.

13 MR. YANCEY: I'll try to be brief. My
14 name is Dave Yancey. I represent the Plumbers and
15 Pipefitters of Local 246 Fresno. And I'm here to
16 read a letter of support for Calpine's project.

17 It's needless to say that there is a
18 need for power generating facilities in the State
19 of California. With the combined efforts of
20 Governor Gray Davis and power companies like
21 Calpine's, this need is rapidly being addressed.

22 Depending on the pace of approvals at
23 the state, federal and local levels, this project
24 could be operating in the mid 2004.

25 The benefits of this project is

1 immediate and far-reaching to the local community.
2 It will employ over 500 local building trades
3 workers during this construction.

4 This enables us to offer opportunities
5 to the local youth, to the career and
6 opportunities and provide training and
7 apprenticeship, good paying jobs while learning a
8 trade, and provide benefits second to none. These
9 benefits will continue throughout their life into
10 retirement.

11 Projects such as this, proven to be
12 winners in the state, local and communities
13 wherever they are built. This is our hope that
14 you will join with the Plumbers and Pipefitters
15 Buildings Trades of Fresno, Kings, Madera and
16 Tulare Counties in supporting this project.

17 HEARING OFFICER TOMPKIN: Thank you, Mr.
18 Yancey. Our next speaker will be Gary Clark, is
19 that correct? Would you spell your last name?

20 MR. CLARK: I got bad handwriting.
21 C-l-a-r-k.

22 HEARING OFFICER TOMPKIN: Thank you.

23 MR. CLARK: Okay. My name's Gary Clark.
24 I'm with the Plasterers and Cement Masons Local
25 Trade in the Fresno Community. Also I'm with the

1 Fresno Building Trades, I'm President of the
2 Building Trades.

3 Also I'm with the Apprenticeship Project
4 Information Center where we go out and we try and
5 find jobs for apprentices out there.

6 With the apprenticeship project central,
7 what we do is we look for places to place
8 apprentices out onto the different projects in the
9 different communities. We look and we outreach
10 for the communities to supply us with those young
11 people coming from schools looking for a career.

12 And, you know, we urge the communities
13 to bring on more people. Currently we've got
14 about 3500 workers, and out of that there's a 5
15 percent that is a apprenticeship right now. We
16 need more apprentices throughout. Your community
17 can be part of that, too.

18 So, we do support with the Fresno
19 Building Trades, we support this project. We
20 thank Calpine and also the Commission for coming
21 here. Thank you.

22 HEARING OFFICER TOMPKIN: Thank you, Mr.
23 Clark. Our next speaker will be George Gunderson.

24 MR. GUNDERSON: Good evening, ladies and
25 gentlemen of the audience and the people on the

1 Board here. My name is George Gunderson,
2 G-u-n-d-e-r-s-o-n.

3 I'm a Field Representative for the
4 United Brotherhood of Carpenters and Joiners of
5 America. I'm out of Local 701 in Fresno,
6 California. And at this time I'd like to make a
7 brief statement that the Carpenters support
8 projects that hire local workers and train the
9 youth of our communities through our
10 apprenticeship programs to do the work.

11 Thank you very much.

12 HEARING OFFICER TOMPKIN: Thank you.
13 Mr. Jose Ramos. Is Mr. Jose Ramos here and did
14 you have another question?

15 MR. RAMOS: I think I've asked the
16 questions that I had before, so.

17 HEARING OFFICER TOMPKIN: Okay, thank
18 you, Mr. Ramos.

19 Martin McIntyre.

20 AUDIENCE SPEAKER: (Inaudible.)

21 HEARING OFFICER TOMPKIN: All right,
22 thank you. And then John Hansen.

23 AUDIENCE SPEAKER: He just wrote remarks
24 and --

25 HEARING OFFICER TOMPKIN: Okay, let me

1 go ahead and read the remarks of Mr. Hansen.

2 "Calpine has been very upfront and easy to
3 work with. I think the project is a win/win
4 project for the City of San Joaquin."

5 HEARING OFFICER TOMPKIN: All right,
6 that concludes our blue cards. Is there any other
7 member of the public who would like to make a
8 comment or ask a question at this time?

9 MR. ARGENTINE: Can I read into the
10 record the letters of support, not all the letters
11 but just who they're from?

12 HEARING OFFICER TOMPKIN: All right, you
13 may proceed, Mr. Argentine.

14 MR. ARGENTINE: I need to put my glasses
15 on so I can actually read.

16 First letter is from the San Joaquin
17 Chamber of Commerce. It's in support of the
18 project. From Stan Bulla, President.

19 Second letter is from United Security
20 Bank signed by David L. Eytcheson, Senior Vice
21 President.

22 If I butcher somebody's name, I'm really
23 sorry.

24 The next letter is from Bob Waterston
25 from the County of Fresno; he's Chairman of the

1 Board of Supervisors.

2 The next letter is from Golden Plains
3 Unified School District, signed by Larry Giho and
4 Board of Trustees, who's President of the School
5 District Board.

6 We have a letter in support from the I-5
7 Business Development Corridor, signed by Sargeant
8 Green, the President.

9 A letter from the Economic Development
10 Corporation, signed by David L. Spaur, President.

11 A letter from California State Senator
12 Jim Costa in support of the project.

13 A letter from Assemblymember Sarah Reyes
14 in support of the project.

15 A letter from Assemblyman Dean Florez in
16 support of the project.

17 A letter from the Greater Fresno Area
18 Chamber of Commerce, signed by Stebbins F. Dean,
19 Chief Executive Officer, in support of the
20 project.

21 A letter from the Fresno Area Hispanic
22 Chamber of Commerce, signed by Tony Valtierra,
23 Vice President.

24 A letter signed by Kathy Schiutt who is
25 with the Kerman Chamber of Commerce, in support of

1 the project.

2 A letter from the California League of
3 Food Processors, signed by Ed Yates, Senior Vice
4 President, in support of the project.

5 A letter signed by Daniel Ronquillo,
6 Fresno City Council Member, in support of the
7 project.

8 A certificate signed by Calvin Dooley, a
9 Member of Congress, in support of the project.

10 A letter signed by Richard Machado, who
11 is President of World Agriculture, in support of
12 the project.

13 A letter signed by Larry Willey,
14 President of Willey Tile Company, in support of
15 the project.

16 And then a letter signed by Carol
17 Chandler, who is a farmer in Fresno County, in
18 support of the project.

19 Thank you.

20 HEARING OFFICER TOMPKIN: Thank you.
21 Have you provided originals of that to the
22 Commissioners? So the Commissioner has received
23 all the originals, all right, thank you. And
24 those will be accepted and docketed.

25 Okay, then the one final issue we needed

1 to touch upon before closing this evening is the
2 scheduling, and the issue identification report.

3 It's my understanding, the comment from
4 the counsel for the applicant, that they concur in
5 the schedule that's been set forth by the staff,
6 is that correct?

7 MR. WHEATLAND: That's correct. The
8 staff's put a lot of good thought into the
9 schedule and the applicant supports the schedule
10 that's been proposed by the staff.

11 HEARING OFFICER TOMPKIN: And that was
12 the schedule that was set forth on the slides
13 earlier, is that correct?

14 MR. WHEATLAND: Yes, attached to the
15 issue identification report, yes.

16 HEARING OFFICER TOMPKIN: Okay. And
17 also it was mentioned that in the issue
18 identification report there were three areas of
19 concern identified by the staff. And that was
20 also set forth on the slides.

21 I wonder did the applicant wish to make
22 a comment or a response with respect to that
23 report at this time?

24 MR. WHEATLAND: Not at this time, thank
25 you.

1 HEARING OFFICER TOMPKIN: All right.

2 Are there any additional questions from the
3 public?

4 Any additional comment by staff or
5 applicant?

6 Please come forward and identify
7 yourself.

8 MR. SERRATO: Gary Serrato, Fresno
9 Irrigation District. I just wanted to comment on
10 some of the comments that were made by Mr.
11 Freitas. Is he still here? Apparently not.

12 But I just wanted to make sure that the
13 records indicated that there are some contingency
14 programs that are in place for any water that is
15 not going to be utilized by the Calpine facility.

16 If Calpine goes under, for whatever
17 reason, or they close up shop, that agreement goes
18 away. There is a sunset clause on that. The
19 water stays within the Fresno Irrigation District.

20 Currently, we have waters or reclamation
21 wells that pump water into our canals and we
22 deliver that to our growers. These pumps, these
23 facilities that are going to be installed to
24 provide this water will just be used to deliver
25 that same water into our canals, which we will

1 deliver to our growers.

2 Additionally, there was an effort made
3 with Raisin City, but in their short- or far-
4 sightedness they declined to even come to the
5 table.

6 So I just wanted to make sure that the
7 record showed that, as well. Thank you.

8 HEARING OFFICER TOMPKIN: Thank you.

9 Then in conclusion let me state that the
10 Committee will issue a scheduling order based on
11 today's proceedings.

12 And if there are no other questions or
13 comments, the hearing is now adjourned. Thank
14 you, all, for coming.

15 (Whereupon, at 7:12 p.m., the hearing
16 was concluded.)

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I, PETER PETTY, an Electronic Reporter,
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